



## U.S. COMMERCIAL SERVICE **GLOBAL AUTOMOTIVE TEAM**

QUARTERLY NEWSLETTER – SPRING 2015

**CONNECTING YOU TO GLOBAL MARKETS**








The Automotive Team is pleased to present the first newsletter of 2015. I'm revved up, are you? To jump start 2015, we're headed to the Outback, our automotive market of the month. Australia presents many export opportunities and growth prospects. In this edition, we'll also dive into automotive news from around the world, team supported events, and what's to come this year.

**TEAM LEAD:**  
**[Lesa Forbes](#)**  
**[@trade.gov](#)**

## Market of the Month

Australia's automotive market is one of the most vibrant in the world. Here's why:

-  [High automotive](#) penetration rate (over 600 vehicles per 1000 people)
-  Over **60** automotive brands available to consumers (more than in the U.S.)
-  New auto sales hit a [million](#) units in 2014.
-  [Free Trade Agreement](#) with the U.S.
-  Automotive Imports from the U.S. are forecast to be over **US\$800** million in 2015. (CS Australia)

Last year, as many of you may have heard, Toyota [announced](#) plans to cease manufacturing in Australia by 2017. This announcement follows that of Ford and GM. These developments present challenges as well as opportunities. The good news - in 2005, Australia and the U.S. signed a free trade agreement which lowered tariffs on 99 percent of goods traded between Australia and the U.S. It is widely known that American companies offer some of the most innovative, durable, and efficient products in the automotive sector. American made products are number one with a 17 percent market share. So where are the best opportunities for U.S. SMEs you ask? According to the 2014 U.S. Commercial Service Automotive Resource Guide, products that improve auto performance, specialized and rebuilt parts, fuel additives that improve mileage, and maintenance and services will do well as Australians continue to purchase new vehicles. That's not all. An article from [Bike Sales](#) states that in 2014 over 100,000 ATVs, motorcycles, and scooters were sold. This market presents many of the same opportunities as automotive; let's make sure our clients seize them. For more information on this market, contact Duncan Archibald at [Duncan.Archibald@trade.gov](mailto:Duncan.Archibald@trade.gov).



Informative Links

Australian Bureau of Statistics  
[Automotive](#) Sales: 2013 – 2015  
Australia's market research [page](#)

Australian Automotive Aftermarket Assn.  
Check out the [webpage](#)! Be sure to look at  
the trade events.

# Automotive News

## Tariffs on the Rise...

American companies looking to export used cars to Nigeria will face higher tariffs, [reports](#) Punch. Beginning January 1, tariffs will be 70 percent of the car's value. Just think, a used car worth \$10,000 will face duties of \$7,000. This will surely make buying an imported used car more expensive in Nigeria – one of the largest importers of used vehicles from the U.S. The major reason cited in the article is the government's desire to establish an auto assembly sector in the country. Nigeria is looking to diversify its economy and potentially attract foreign investment. How will this development affect Nigeria's economy is yet to be seen. This is a situation to monitor in 2015.

## China's Great Outdoors

China's RV market is an up-and-coming market for American suppliers of RV parts, aftermarket products, and RVs themselves. The Recreational Vehicle Industry Association (RVIA) has been working to develop this key market by building key relationships and working with associations in China that promote outdoor activities. Last year was a very productive year. RVIA developed a PowerPoint presentation which highlighted the progress made in 2014. The presentation cites that Beijing offered \$5 million to assist in developing campgrounds. This indicates a strong commitment to the success of this market. For a copy of the presentation, please email Mark Cooper at [Mark.Cooper@trade.gov](mailto:Mark.Cooper@trade.gov).



## CES

The Consumer Electronics Show kicked off January 6 – 9 in Las Vegas, NV. This show is vital to the automotive industry because this is where some of the most intriguing marriages between technology and automotive are found: new concept cars are revealed that may point to the future of design, new driver-assist technologies are uncovered, and a myriad of other features are revealed. This year, one of the most innovative technologies displayed at CES included driverless and connected cars. Big name brands such as [Mercedes®](#) and [Audi®](#) made a huge splash in this category. Imagine a world where instead of fighting traffic, you simply sit back and relax or even sleep. This technology has the power to transform our daily travel routines. In



addition, the connected car concept will change how we interact with our cars. People can now connect to their car through a smartwatch. This [article](#) shows how an Android® smartwatch can unlock car doors, locate your vehicle, and even start the engine. Some of this technology may catch on and become something we rely on daily. To see a full list of some of the most impressive automotive technology at CES, check out this [slideshow](#) courtesy of MSN®.

## SEMA

In early November, the Global Automotive Team participated in the Specialty Equipment Market Association (SEMA) Show, the Automotive Aftermarket Products Expo (AAPEX), and the Big R/ReMaTec USA Show, which are all held annually in Las Vegas. International Trade Administration (ITA) representatives from Europe, Central America, the Middle East and from

throughout the United States participated in the trade shows.



At the SEMA Show, Deputy Assistant Secretary (DAS) for Manufacturing, **Chandra Brown** (pictured center) presented SEMA with its second consecutive Market Development Cooperator Program (MDCP) Award, which is a SEMA-ITA partnership to help U.S. companies increase U.S. exports of specialty parts to the Middle East, China and Russia. DAS Brown also awarded eight U.S. specialty equipment

companies with ITA's prestigious Export Achievement Certificate. The recipients included: aFe Power, Champion Oil, Lingenfelter, Magnaflow, Magnuson Products LLC, Penda Corp., Rigid Industries and Transamerican Wholesale. All of these companies have increased their U.S. exports as a result of participating in SEMA's MDCP-related trade missions.

In addition, members of the Global Automotive Team, along with Assistant Secretary for Industry & Analysis Marcus Jadotte, DAS Brown, and other Commerce representatives met with automakers at the DC Auto Show in January 2015 to discuss the latest automotive technologies and vehicles, as well as the automakers' U.S. exports, employment, and investments. For photos of SEMA 2014, click [here](#).

## Why It's Time to Look South for Growth

Colombia and Peru offer unique opportunities in Latin America for U.S. automotive suppliers through growing middle classes and reduced market access barriers. Both countries are committed to opening their markets and integrating U.S. supply chains. Here's how U.S. suppliers of automotive products are benefitting:



- FTAs with the U.S. have decreased tariffs more than 80%
- In Peru, new vehicle, spare parts and services sales totaled \$4.5 billion in 2013
- Peru has experienced a decade of 6.2% GDP growth
- Last year, U.S. companies led new vehicles sales in Colombia
- Colombia's domestic auto demand is projected to grow by 22% from 2012 - 2017
- Colombia's ports on both the Atlantic and Pacific Ocean are ideal for trade

To take advantage of these emerging opportunities, the U.S. Department of Commerce is leading an **Automotive Trade Mission to Colombia & Peru, April 26-30, 2015**. Participants will meet face-to-face with local industry executives and government officials who have been pre-screened to match your specific business objectives.

### Target products with high U.S export potential:

- Aftermarket parts, accessories, and services
  - Chemicals and lubricants
  - Parts & components
- Mobile electronics & components
- Tools & testing equipment

To find out more about the **Automotive Trade Mission to Colombia & Peru**, contact Monica

Toporkiewicz at [Monica.Toporkiewicz@trade.gov](mailto:Monica.Toporkiewicz@trade.gov). For more information, please visit [here](#).

## Team Events

- ❖ [Automechanika Istanbul](#)  
Istanbul, Turkey  
April 9 – 12
- ❖ [Automotive Trade Mission](#)  
Colombia and Peru  
April 26 – 30
- ❖ [Automechanika Middle East](#)  
Dubai, UAE  
June 2 – 4
- ❖ [ReMaTec International Expo](#)  
Amsterdam, Netherlands  
June 14 - 16
- ❖ [The Latin Auto Parts Expo](#)  
Panama, Republic of Panama  
June 18 – 20
- ❖ [PAACE Automechanika Mexico](#)  
Mexico City, Mexico  
July 15 – 17
  - ❖ [Movimat](#)  
Sao Paulo, Brazil  
September 15 – 17

**Don't forget to follow us @CS\_AutoTeam and check for updates on our website [www.export.gov/industry/auto](http://www.export.gov/industry/auto)**